

## **Financial Management Expectations**

In accordance with 34 CFR Part 74 and the signed Assurances in South Carolina Department of Education's Grant Award Notification, the sub grantee will establish a proper accounting system in accordance with generally accepted accounting principles or agency directives. The applicant's accounting system must include sufficient internal controls, a clear audit trail, and written cost-allocation procedures as necessary. Recipient's financial management systems shall provide for accurate, current, and complete disclosure of the financial results of each federally or state sponsored program. Financial management systems must be capable of distinguishing expenditures that are attributable to this grant from those that are not attributable to this grant. This system must be able to identify costs by programmatic year and by budget line item and to differentiate among direct, indirect, and administrative costs. In addition, the grantee must maintain adequate supporting documents for the expenditures (federal and nonfederal) and in-kind contributions, if any, that it makes under this grant. Costs must be shown in books or records (e.g., disbursements ledger, journal, payroll register) and must be supported by a source document such as a receipt, travel voucher, paid invoice, cancelled check, time and attendance records, or contract and subgrant award documents.